



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

FILED

09-08-06
10:23 AM

Order Instituting Rulemaking on the)
Commission's own motion for the purpose of)
considering policies and guidelines regarding the)
allocation of gains from sales of energy,)
telecommunications, and water utility assets.)
_____)

R.04-09-003

(Filed September 9, 2004)

SOUTHERN CALIFORNIA EDISON COMPANY'S [U338-E] REPLY COMMENTS
PROPOSING A CONSENSUS DEFINITION FOR "MAJOR FACILITY" AS USED IN
PUBLIC UTILITIES CODE SECTION 455.5

ANN P. COHN
SUMNER J. KOCH
JANINE M. WATKINS-IVIE

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4384
Facsimile: (626) 302-3990
E-mail: janine.watkinsivie@sce.com

Dated: **September 8, 2006**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking on the)	R.04-09-003
Commission's own motion for the purpose of)	
considering policies and guidelines regarding the)	(Filed September 9, 2004)
allocation of gains from sales of energy,)	
telecommunications, and water utility assets.)	
_____)	

**SOUTHERN CALIFORNIA EDISON COMPANY'S [U338-E] REPLY COMMENTS
PROPOSING A CONSENSUS DEFINITION FOR "MAJOR FACILITY" AS USED IN
PUBLIC UTILITIES CODE SECTION 455.5**

Pursuant to Ordering Paragraph No. 11 of Decision No. 06-05-041, the Administrative Law Judge's Ruling regarding Allocation of Gains on Sale of Utility Assets issued on June 29, 2006 in this docket, and subsequent e-mail instructions, Southern California Edison Company ("SCE") hereby submits the following comments proposing a threshold definition for "major facility" as that term is used in Section 455.5 of the Public Utilities Code.

By express statutory language, the obligations created by Section 455.5 are to be applied in the context of "generation or production facilities" in three disparate industries: electricity, natural gas, and water. Several times during the months of August and September, the parties to this proceeding met and conferred in an attempt to reach consensus on a definition for the term "major facility" as it is used in Section 455.5, in each of those industry contexts. While there remains considerable disagreement for a useable definition in the areas of water and natural gas,

the parties with electric facilities appeared to come to a promising degree of consensus¹ for using the following definition for “major facility” in the electricity context:

A "major facility" is any generation facility of at least 50 MW, or that represents *at least one percent (1%) of an electric utility's retained generation system capacity*. (That system total would include the utility's pro-rata share in any jointly-owned facilities.) A reportable outage of a “portion of a major facility” should be interpreted as an outage of *an independent operating unit of a major facility*.

In practice and at present, the proposed definition would apply to the same group of SCE facilities using either the one percent prong (approximately 60 MW) or the 50 MW prong: capturing Mountainview, each of SCE’s shares in coal and nuclear facilities, and SCE’s larger hydroelectric facilities, as “major facilities.”

Respectfully submitted,

ANN P. COHN
SUMNER J. KOCH
JANINE M. WATKINS-IVIE

/ s / Janine M. Watkins-Ivie

By: Janine M. Watkins-Ivie
Attorney for
SOUTHERN CALIFORNIA EDISON COMPANY
2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4384
Facsimile: (626) 302-3990
E-mail: janine.watkinsivie@sce.com

September 8, 2006

¹ During the meet-and-confer teleconference, DRA’s representatives were not in a position to commit to supporting this definition, but did not actively oppose it. The other interested parties participating in the teleconference (SCE, PG&E, SDG&E, and Aglet) appeared to support this definition.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing **SOUTHERN CALIFORNIA EDISON COMPANY'S [U338-E] REPLY COMMENTS PRPOPOSING A CONSENSUS DEFINITION FOR "MAJOR FACILITY" AS USED IN PUBLIC UTILITIES CODE SECTION 455.5** upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rosemead, California, this 8th day of September, 2006.

/ s / Cecilia R. Jones

Cecilia R. Jones

Project Analyst

SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue

Post Office Box 800

Rosemead, California 91770

Telephone: (626) 302-4384

R.04-09-003

Friday, September 8, 2006

CASE ADMINISTRATION
CASE ADMINISTRATION
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVE., RM. 370
ROSEMEAD, CA 91770
R.04-09-003

Michael C. Amato
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 3203
SAN FRANCISCO, CA 94102-3214
R.04-09-003

JEANNE B. ARMSTRONG
GOODIN MACBRIDE SQUERI RITCHIE & DAY
LLP
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111
R.04-09-003

JEFFREY F. BECK
ATTORNEY AT LAW
COOPER, WHITE & COOPER, L.L.P.
201 CALIFORNIA ST., 17TH FLOOR
SMALL LECs
SAN FRANCISCO, CA 94111
R.04-09-003

E. GARTH BLACK
ATTORNEY AT LAW
COOPER, WHITE & COOPER, LLP
201 CALIFORNIA STREET, 17TH FLOOR
SAN FRANCISCO, CA 94111
R.04-09-003

WILLIAM H. BOOTH
ATTORNEY AT LAW
LAW OFFICE OF WILLIAM H. BOOTH
1500 NEWELL STREET, 5TH FLOOR
WALNUT CREEK, CA 94596
R.04-09-003

EMERY G. BORSODI
DIRECTYOR RATES AND REGULATORY
RELATIONS
SBC CALIFORNIA
525 MARKET ST., RM. 1921
SAN FRANCISCO, CA 94105
R.04-09-003

LISA BROWY
REGULATORY CASE ADMINISTRATOR
SAN DIEGO GAS AND ELECTRIC COMPANY
101 ASH STREET, CP32D
SAN DIEGO, CA 92101
R.04-09-003

GREGORY L. CASTLE
ATTORNEY AT LAW
SBC CALIFORNIA
525 MARKET STREET, RM. 2022
SAN FRANCISCO, CA 94105
R.04-09-003

Charles H. Christiansen
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
AREA 3-D
SAN FRANCISCO, CA 94102-3214
R.04-09-003

ANN P. COHN
ASSISTANT GENERAL COUNSEL
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770
R.04-09-003

DANIEL M. CONWAY
UTILITY REGULATORY CONSULTANT
14435 NORTH 66TH PLACE
SCOTTSDALE, AZ 85254
R.04-09-003

Fred L. Curry
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 3106
SAN FRANCISCO, CA 94102-3214
R.04-09-003

ROBERT J. DIPRIMIO
PRESIDENT
VALENCIA WATER COMPANY
24631 AVENUE ROCKEFELLER
VALENCIA, CA 91355
R.04-09-003

Elizabeth Dorman
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 5130
SAN FRANCISCO, CA 94102-3214
R.04-09-003

LORI A. DOLQUEIST
STEEFEL, LEVITT & WEISS
ONE EMBARCADERO CENTER, 30TH FLR
SAN FRANCISCO, CA 94111
R.04-09-003

JAMES B. DRIMMER
ATTORNEY AT LAW
THE STRANGE LAW FIRM
282 2ND ST., STE. 201
SAN FRANCISCO, CA 94105
R.04-09-003

GENE ENG
VERIZON
112 LAKEVIEW CANYON RD, CA501LS
THOUSAND OAKS, CA 91362
R.04-09-003

R.04-09-003

Friday, September 8, 2006

PETER G. ESPOSITO
CRESTED BUTTE CATALYSTS LLC
1181 GOTHIC CORRIDOR, PO BOX 668
CRESTED BUTTE, CO 81224
R.04-09-003

DIANE I. FELLMAN
ATTORNEY AT LAW
FPL ENERGY, LLC
234 VAN NESS AVENUE
SAN FRANCISCO, CA 94102
R.04-09-003

LAW DEPARTMENT FILE ROOM
LAW DEPT FILE ROOM
PACIFIC GAS & ELECTRIC COMPANY
PO BOX 7442
PO BOX 770000 MAILCODE B30A
SAN FRANCISCO, CA 94120-7442
R.04-09-003

CENTRAL FILES
SAN DIEGO GAS & ELECTRIC
8330 CENTURY PARK COURT
SEMPRA ENERGY UTILITIES
SAN DIEGO, CA 92123-1530-1548
R.04-09-003

MICHEL PETER FLORIO
SENIOR ATTORNEY
THE UTILITY REFORM NETWORK (TURN)
711 VAN NESS AVENUE, SUITE 350
SAN FRANCISCO, CA 94102
R.04-09-003

BREWSTER FONG
CALIFORNIA PUBLIC UTILITIES
COMMISSION
505 VAN NESS AVENUE
OFFICE OF RATEPAYER ADVOCATES
SAN FRANCISCO, CA 94102
R.04-09-003

Jack Fulcher
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
AREA 4-A
SAN FRANCISCO, CA 94102-3214
R.04-09-003

Sung Han
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 3200
SAN FRANCISCO, CA 94102-3214
R.04-09-003

John K. Hawks
Executive Director
California Water Association
601 Van Ness Avenue, Suite 2047 Mail Code
#E3-608
San Francisco, CA 94102-3200
R.04-09-003

CHRISTINE J. HAMMOND
STEEFEL, LEVITT AND WEISS
ONE EMBARCADERO CENTER, 30TH FLOOR
SUITE 2950
SAN FRANCISCO, CA 94111
R.04-09-003

MARCEL HAWIGER
ATTORNEY AT LAW
THE UTILITY REFORM NETWORK
711 VAN NESS AVENUE, SUITE 350
SAN FRANCISCO, CA 94102
R.04-09-003

BRIDGET A. JENSEN
ATTORNEY AT LAW
SOUTHWEST GAS CORPORATION
5241 SPRING MOUNTAIN ROAD
LAS VEGAS, NV 89150
R.04-09-003

PALLE JENSEN
DIRECTOR OF REGULATORY AFFAIRS
SAN JOSE WATER COMPANY
374 WEST SANTA CLARA STREET
SAN JOSE, CA 95196
R.04-09-003

LEIGH K. JORDAN
PARK WATER COMPANY/APPLE VALLEY
RANCHOS
PO BOX 7002
DOWNEY, CA 90241-7002
R.04-09-003

ROBERT L. KELLY
VICE PRESIDENT-REGULATORY AFFAIRS
SUBURBAN WATER SYSTEMS
1211 E. CENTER COURT DRIVE
COVINA, CA 91724-3603
R.04-09-003

DONALD C. LIDDELL
DOUGLASS & LIDDELL
2928 2ND AVENUE
SAN DIEGO, CA 92103
R.04-09-003

ROBERT A. LOEHR
1335 ARENA AVENUE
PACIFIC GROVE, CA 93950
R.04-09-003

JACQUE LOPEZ
LEGAL ASSISTANT
VERIZON CALIFORNIA INC
112 LAKEVIEW CANYON ROAD
THOUSAND OAKS, CA 91362
R.04-09-003

R.04-09-003

Friday, September 8, 2006

TODD O. MAIDEN
ATTORNEY AT LAW
SEYFARTH SHAW FAIRWEATHER &
GERALDSON
TWO EMBARCADERO CENTER SUITE 2000
SAN FRANCISCO, CA 94111
R.04-09-003

CHUCK MANZUK
SEMPRA UTILITIES
8330 CENTURY PARK COURT, CP 32D
CALIFORNIA REGULATORY AFFAIRS
SAN DIEGO, CA 92123
R.04-09-003

DAVID J. MARCHANT
ATTORNEY AT LAW
DAVIS WRIGHT TREMAINE LLP
ONE EMBARCADERO CENTER, STE. 600
SAN FRANCISCO, CA 94111-3834
R.04-09-003

M. GRADY MATHAI-JACKSON
LATHAM & WATKINS LLP
505 MONTGOMERY STREET
SAN FRANCISCO, CA 94111-2562
R.04-09-003

MARTIN A. MATTES
ATTORNEY AT LAW
NOSSAMAN GUTHNER KNOX & ELLIOTT,
LLP
50 CALIFORNIA STREET, 34TH FLOOR
Jack in the Box, Inc
SAN FRANCISCO, CA 94111-4799
R.04-09-003

LYNNE P. MCGHEE
ATTORNEY AT LAW
CALIFORNIA WATER SERVICE COMPANY
1720 NORTH FIRST STREET
SAN JOSE, CA 95112-4598
R.04-09-003

WILLIAM NUSBAUM
ATTORNEY AT LAW
THE UTILITY REFORM NETWORK
711 VAN NESS AVENUE, SUITE 350
SAN FRANCISCO, CA 94102
R.04-09-003

GARY C. OTTOSON
BACALSKI, BAILEY, KOSKA & OTTOSON, LLP
300 S. GRAND AVENUE., 1150
LOS ANGELES, CA 90071-1574
R.04-09-003

JUDY PAU
DAVIS, WRIGHT TREMAINE LLP
505 MONTGOMERY STREET, SUITE 800
SAN FRANCISCO, CA 94111-6533
R.04-09-003

DOUGLAS K PORTER
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770
R.04-09-003

ERINN PUTZI
THE STRANGE LAW FIRM
282 2ND ST., STE. 201
SAN FRANCISCO, CA 94105
R.04-09-003

J. JASON REIGER
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 5125
SAN FRANCISCO, CA 94102
R.04-09-003

RUDOLPH REYES
VERIZON CALIFORNIA INC.
711 VAN NESS AVENUE, SUITE 300
SAN FRANCISCO, CA 94102
R.04-09-003

PATRICK ROSVALL
ATTORNEY AT LAW
COOPER, WHITE & COOPER, L.L.P.
201 CALIFORNIA ST., 17TH FLOOR
Small LEC's
SAN FRANCISCO, CA 94111
R.04-09-003

TIMOTHY J. RYAN
ATTORNEY AT LAW
SAN GABRIEL VALLEY WATER COMPANY
PO BOX 6010
EL MONTE, CA 91734
R.04-09-003

RANDALL W. SABLE
MANAGER/STATE REGULATORY AFFAIRS
SOUTHWEST GAS CORPORATION
5241 SPRING MOUNTAIN ROAD
LAS VEGAS, NV 89150-0002
R.04-09-003

MICHAEL D. SASSER
ATTORNEY
PACIFIC BELL TELEPHONE COMPANY
525 MARKET ST., RM. 2021
SAN FRANCISCO, CA 94105
R.04-09-003

PATRICIA A. SCHMIEGE
ATTORNEY AT LAW
O'MELVENY & MYERS, LLP
275 BATTERY STREET, 26TH FLOOR
SAN FRANCISCO, CA 94111
R.04-09-003

R.04-09-003

Friday, September 8, 2006

MARK P. SCHREIBER
ATTORNEY AT LAW
COOPER, WHITE & COOPER, LLP
201 CALIFORNIA STREET, 17TH FLOOR
SAN FRANCISCO, CA 94111
R.04-09-003

RICHARD A. SHORTZ
ESQUIRE
MORGAN, LEWIS & BOCKIUS LLP
300 SOUTH GRAND AVE., 22ND FLOOR
LOS ANGELES, CA 90071-3132
R.04-09-003

PAUL P. STRANGE
THE STRANGE LAW FIRM
282 SECOND STREET, SUITE 201
SAN FRANCISCO, CA 94105
R.04-09-003

KEITH SWITZER
SOCAL WATER/BEAR VALLEY ELECTRIC
630 E. FOOTHILL BOULEVARD
PO BOX 1547
SAN DIMAS, CA 91773
R.04-09-003

Lee-Whei Tan
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 4101
SAN FRANCISCO, CA 94102-3214
R.04-09-003

Sarah R Thomas
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 5105
SAN FRANCISCO, CA 94102-3214
R.04-09-003

CHENOA THOMAS
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE STREET, B8R
SAN FRANCISCO, CA 94105
R.04-09-003

MICHAEL THORP
ATTORNEY AT LAW
SEMPRA ENERGY
555 W. FIFTH STREET, SUITE 1400
LOS ANGELES, CA 90013
R.04-09-003

TREG TREMONT
ATTORNEY AT LAW
DAVIS WRIGHT TREMAINE, LLP
ONE EMBARCADERO CENTER, SUITE 600
SAN FRANCISCO, CA 94111-3834
R.04-09-003

PETER VAN MIEGHEM
ATTORNEY AT LAW
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 7442
SAN FRANCISCO, CA 94120
R.04-09-003

JANINE M. WATKINS-IVIE
ATTORNEY AT LAW
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770
R.04-09-003

JAMES WEIL
AGLET CONSUMER ALLIANCE
PO BOX 37
COOL, CA 95614
R.04-09-003

Sean Wilson
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
AREA 3-C
SAN FRANCISCO, CA 94102-3214
R.04-09-003

JOSEPH F. WIEDMAN
GOODIN MACBRIDE SQUERI RITCHIE &
DAY, LLP
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111
R.04-09-003

CATHERINE E. YAP
BARKOVICH & YAP, INC.
PO BOX 11031
OAKLAND, CA 94611
R.04-09-003

FRANCES YEE
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE STREET, B8R
SAN FRANCISCO, CA 94105
R.04-09-003

CALIFORNIA ENERGY MARKETS
517-B POTRERO AVE.
SAN FRANCISCO, CA 94110-1431
R.04-09-003